



NARFE

National Association of Retired Federal Employees

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July 17, 2001

The Honorable John D. Dingell
2328 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Dingell:

On behalf of the National Association of Retired Federal Employees' (NARFE) more than 400,000 members, I am writing to endorse your legislation, H.R. 526, the "Bipartisan Patients' Protection Act", that would provide strong and enforceable consumer protections to nearly every American enrolled in a health plan.

While managed care plans have contained health care costs, some have taken deliberate steps to deny specific health care options in situations where such care is medically necessary and appropriate. Your legislation would help to change this unacceptable practice by allowing physicians and their patients to make medical decisions – not administrators or accountants.

H.R. 526's comprehensive patient protections are enforceable because health plans are held accountable through a doctor-led review process and by litigation, as a last resort, particularly when wrongful denials of care result in injury or death.

We are also pleased with your legislation for what it does not do: require Medical Savings Accounts (MSAs) in the Federal Employees Health Benefits Program (FEHBP). According to the nonpartisan Congressional Budget Office (CBO), mandating MSAs in FEHBP "would increase premiums for comprehensive plans by siphoning off relatively healthy enrollees in catastrophic/MSA plans." As a result, CBO estimates that taxpayer costs for FEHBP premiums would increase by nearly \$1 billion over five years. This new billion-dollar cost would be in addition to recent federal health insurance rate hikes caused by skyrocketing prescription drug prices and an aging federal workforce.

NARFE agrees with the long overdue common sense patient protections included in H.R. 526 and we stand ready to help you seek its enactment.

Sincerely,

Frank G. Atwater
National President & CEO

National Association of Retired Federal Employees

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